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Welcome to the September issue of the Oil and Gas Update, the newsletter that provides training and activity updates related to oil and gas activity in the Northwest Territories. This newsletter is published bi-monthly by the Department of Education, Culture and Employment in partnership with the Department of Resources, Wildlife and Economic Development, Government of the Northwest Territories.

OIL & GAS TERRITORIAL TRAINING COMMITTEE

A need has been identified for a co-ordinating committee at the territorial level regarding non-renewable training initiatives. There have been several attempts made to establish such a committee, including commitments from the Federal government. At this point, Education, Culture and Employment (ECE) has taken responsibility for the creation of a Territorial Training Committee. The first meeting was held on September 10, 2002.

The newly formed committee will be meeting in the next several weeks to develop a terms of reference that will provide structure for the group. Representatives on this committee include DIAND, HRDC, the Aboriginal Summit, industry, Aboriginal Human Resource Development agreement holders, the Status of Women Council and ECE.

For more information, please contact Krista Rivet at 920-6384.

APPRENTICESHIP SUPPORT MATERIALS

Many individuals seeking entry into Apprenticeship are unsuccessful due to a lack of skills and knowledge in the areas of reading comprehension, math and science. A need was identified to develop user-friendly, northern-based resources intended for self-directed study to prepare individuals for entry into Apprenticeship. These materials will also be useful to instructors for lesson planning for adults seeking employment in the Apprenticeable trades.

The Apprenticeship support materials are currently being developed by a partnership of government and private industries. Once completed, the materials will consist of a set of self-study, self-paced learner guides and a set of curriculum guides for northern instructors. These guides will be available in various formats, including booklets, CD-Rom and web-based materials.

For more information on this initiative, contact Bryan Johnson, Manager, Apprenticeship and Occupational Certification at 873-7553.

OIL AND GAS WORKSHOP FOR THE DEH CHO

An "Aboriginal Oil and Gas Management" custom workshop for the North took place at The Banff Centre August 20-22, 2002. The workshop was attended by Deh Cho First Nations leaders from each of the Deh Cho communities as well as regional Education, Culture and Employment and Resources, Wildlife and Economic Development staff. The workshop, organized by Sharon Tellissey of Wrigley's Pehdzeh Ki First Nation, was well received and well attended. Approximately 50 people, representing each of the communities in the Deh Cho, attended the three day workshop.

Some of the topics covered included:

- overview of the petroleum geology of the Deh Cho
- GNWT Career Development programs and services
- History of mineral rights in the North

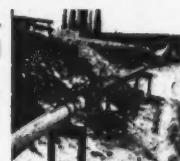
- Northern industry economics
- Regulating the northern seismic project
- Finding and producing oil and gas
- Producing operations in the North
- Northern public safety, cultural and environmental aspects
- Northern land administration
- Northern royalties
- Joint venture agreements
- Northern employment and business opportunities in oil and gas

Informal feedback from attendees showed that they were pleased with the information they received during the workshop and left Banff feeling more informed about the oil and gas industry. The information gained as a result of this workshop will help to guide the attendees through the current and future oil and gas activity in their region.

PIPELINE OPERATIONS TRAINING COMMITTEE UPDATE

The Pipeline Operations Training Committee (POTC) met by teleconference and had the opportunity to review a draft Training and Employment Framework paper, job descriptions and competency profiles that were prepared by the Technical Sub-Committee over the summer. An update on recent meetings that Aurora College and industry representatives had with the Northern Alberta Institute of Technology (NAIT) and the Southern Alberta Institute of Technology (SAIT) was also provided to the committee. The purpose of the meetings with NAIT and SAIT was to identify programs that Northerners could take that would meet the competencies required to fill the potential pipeline operations positions.

It is anticipated that, if required, potential candidates for the pipeline positions will participate in a Pre-Technology program at Aurora College before proceeding on to specific programs at southern institutions. A key theme in the meeting was making sure that any training framework included the processes and people that would provide essential supports to Northerners as they worked their way through training programs. The Committee Chairperson, Joanne Young, was pleased with the progress to date, and noted that the next face-to-face meeting of the POTC would be held in Fort Smith on October 29th and 30th.



SERVICE RIG TRAINING IN INUVIK



Photos courtesy of Robert Redshaw,
RWED

UPDATE ON THE ABORIGINAL PIPELINE GROUP AND THE MACKENZIE VALLEY PIPELINE PROJECT

In October 2001, the Aboriginal Pipeline Group (APG) signed an MOU with the Mackenzie Valley Producers Group giving the APG an opportunity to own one-third of the proposed Mackenzie Valley Pipeline. Since January 2002, the APG has been working with the Producers Group on the Project Definition Phase of the Mackenzie Gas Project. This includes the gathering of baseline data, preparation of a pipeline application, the full hearing process and the pre-engineering aspects of the project.

Over the past few months, the APG and Producers Group have made the following significant steps towards the development of a pipeline:

- A multi-million dollar contract was awarded to ColtKBR to do conceptual and preliminary engineering for the project
- Community consultations have taken place in all regions along the Mackenzie Valley
- Regional offices have been opened and staffed with local residents in Fort Simpson and Norman Wells, and soon to be in Inuvik
- A non-binding open season was held in which 20 companies expressed interest in obtaining space to ship gas through the pipeline

- Five companies submitted proposals for the actual construction of the pipeline
- Baseline studies in such areas as the environment, wildlife, socio-economic assessment and traditional knowledge are taking place
- A Preliminary Information Package (PIP) that outlines the proposed project is expected to be submitted in early October to the required agencies which will allow the regulatory review process to begin

If all goes as planned, the current timeline calls for construction of the pipeline to begin in 2006 and for gas to be flowing by 2008.

Despite this progress, the Aboriginal Pipeline Group is still not a full participant in the project. The APG must arrange for the financing that will allow it to have one-third ownership. The Project Definition Phase will cost \$210 million over the next 2 to 3 years of which the APG's share will be \$70 million. The Federal and Territorial governments are currently reviewing a draft business plan that the APG has submitted in its efforts to secure the necessary funding.

MAXIMIZING NORTHERN EMPLOYMENT PRIVATE SECTOR PARTNERSHIP FUND

The Private Sector Partnership Fund (PSPF) is part of the GNWT's Maximizing Northern Employment Initiatives. Managed by the Department of Resources, Wildlife and Economic Development (RWED), the goal of the fund is to build partnerships with Aboriginal economic organizations and the private sector. These partnerships are helping to maximize employment opportunities in priority sectors of the NWT economy such as oil and gas, mining, construction, transportation and

tourism.

In 2001/02, 26 training programs were funded under the PSPF and a total of 178 NWT residents successfully completed workplace-based training. The 2002/03 program was advertised in news publications across the NWT in May 2002 and applications were submitted in June 2002. Once again, the PSPF generated considerable interest. In total, 33 training programs were approved, allowing 219 northern residents to receive

training. These training projects will take place in all regions of the NWT and in most economic sectors.

The PSPF is continuing to play a role in supporting the efforts of Aboriginal organizations and the private sector to recruit and develop a skilled, northern workforce. For more information, contact Richard Provan, Manager Investment, RWED at (867) 873-7389.

OIL AND GAS EXPLORATION ACTIVITY—WINTER 2002/2003

The following are some of the highlights from the various regions:

Mackenzie Delta: The Mackenzie Delta experienced an exceptionally busy exploration season last winter. Over 1200 jobs were created and more than \$312 million spent. However, it is expected that activity levels this winter will be noticeably lower. Only two companies (Petro Canada and Chevron) have committed to drilling wells and three companies (Encana, Shell and Petro Canada) have applied to conduct seismic programs in the region.

Central Mackenzie: After a slow winter season in 2001/02, exploration activity in the Sahtu region is expected to increase significantly this winter. Four companies are planning to drill up to eight wells and perform a 2D seismic program. Colville Lake will be especially impacted by a number of programs in the area.

Fort Liard: This is an important exploration season in the Fort Liard region as land exploration rights expire after this year. Anadarko is considering an ambitious exploration program that may see up to 10 wells drilled on various parcels of land between Fort Liard and Nahanni Butte. Paramount Resources will also be active in the region.

Cameron Hills: Paramount Resources will continue with its projects in the Cameron Hills, south of Kakisa near the Alberta-NWT border. Paramount is proposing a 3D seismic program, drilling 6 to 10 wells, and constructing gathering lines to tie into its current production system.

MACKENZIE VALLEY DEVELOPMENT PROJECT

Over the past several years, the Northwest Territories has experienced a dramatic increase in the level of exploration and development activities related to the oil and gas industry. In 2002 alone, expenditures on exploration activities in the NWT totaled over \$350 million.

It is expected that the current levels of oil and gas exploration in the Northwest Territories will be sustained for several years. In addition, steady progress has been made towards the creation of a Mackenzie Valley Natural Gas Pipeline. Construction on the proposed \$4 billion pipeline is expected to begin in 2006.

Realizing that the development of oil and gas reserves represents a significant opportunity and challenge for the people of the NWT, the Government of the Northwest Territories formed the Mackenzie Valley Development Project (MVDP) within the Department of Resources, Wildlife and Economic Development in 1999.

Since that time, the MVDP has helped to coordinate and participate in a wide range of activities related to oil and gas development in the NWT. Included in these initiatives are programs and studies related to:

- capacity building within Aboriginal groups
- health and social impacts of resource development
- impacts on community infrastructure
- business and employment opportunities
- environmental and wildlife issues
- training requirements
- support for a Aboriginal ownership position in a pipeline

The MVDP will continue to address issues related to oil and gas development in the NWT in order to help maximize the benefits to Northerners while also ensuring the impacts of development are effectively managed. For more information on the Mackenzie Valley Development Project, please contact Pauline Gordon, Assistant Deputy Minister, RWED, (867)873-7008 in Yellowknife.

WINTER PROJECTS SUMMARY 2002/2003

Mackenzie Delta

Mackenzie Delta				
Chevron Canada Resources	Tuktoyaktuk (Langley Island)		1 exploratory well	50
Encana (formally AEC West Ltd.)	Tuktoyaktuk (Kugmallit Bay)	250 km ²		60
Shell Canada	Inuvik/Aklavik (Shallow Bay)	417 km ²		
Petro-Canada	Tuktoyaktuk/ Inuvik	2 programs (155 kms total)	250 km ² 1 or 2 exploratory wells	100 50
Anadarko	Pending			

Central Mackenzie

Central Mackenzie				
Paramount Resources	Colville Lake	120 Kms	2 exploratory wells	135 kms of access roads
CNRL	Colville Lake (Lac Belot)		3 exploratory wells	150 kms of access roads
Northrock Resources	Tulita		1 exploratory well	75 km access road
Encana Corporation	Tulita		2 exploratory wells	
Devian Exploration	Pending			
Hunt Oil	Pending			

Deh Cho

Deh Cho				
Paramount Resources	Fort Liard		Install gathering system	
Anadarko Canada Energy Ltd.	Fort Liard / Nahanni Butte		3 to 10 wells	
Paramount Resources Ltd.	Cameron Hills	120km ²	6 to 12 wells	Construct gathering lines \$12M

WINTER PROJECTS SUMMARY 2002/2003

Mackenzie Delta

Proponent	Nearest Community	2D Seismic	3D Seismic	Drilling	Other Projects	Budget	Direct Employment
Chevron Canada Resources	Tuktoyaktuk (Langley Island)			1 exploratory well			50
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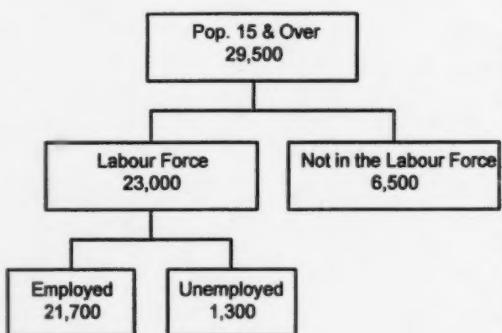
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NWT LABOUR FORCE ACTIVITY – AUGUST 2002

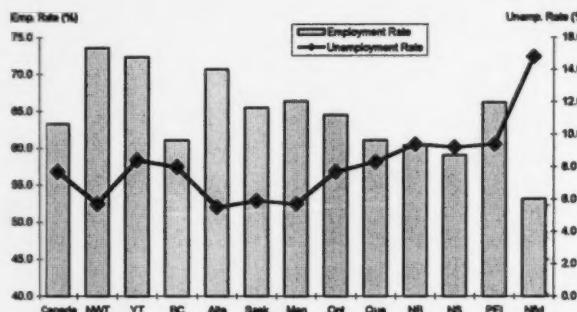


For August 2002, Statistics Canada estimates that of the 29,500 residents 15 years of age and older in the Northwest Territories, some 21,700 persons were employed. This represents an overall employment rate of 73.6%. Overall, NWT employment levels increased by 400 persons between July 2002 and August 2002.

For August, there were some 1,300 persons who were unemployed in the Northwest Territories; this value increased by 100 from July. The overall NWT unemployment rate stood at 5.7% for August. This compares with the unemployment rate for Canada of 7.7% in August.

On a year to date basis for the January to August period, the number of unemployed persons in the Northwest Territories has been, on average, 500 lower for 2002 compared with the same period in 2001. Source: NWT Bureau of Statistics. *Labour Force Activity, August 2002*

EMPLOYMENT RATE AND UNEMPLOYMENT RATE CANADA, PROVINCES & TERRITORIES, AUGUST 2002



Source: NWT Bureau of Statistics. *Labour Force Activity, August 2002*

For more information, visit: www.stats.gov.nt.ca

REGIONAL CONTACTS

Career Centres and Canada-NWT Service Centres Education, Culture and Employment

Fort Simpson (Deh Cho Hall)	695-7334
Fort Smith (Sweetgrass Building)	872-7217
Hay River (Courthouse Building)	874-9200
Inuvik (1st Floor Perry Building)	777-7323
Norman Wells (Government Building)	587-2566
Yellowknife (Joe Tobie Building)	766-5100

Resources, Wildlife and Economic Development

Hay River	874-6702
Fort Simpson	695-2231
Fort Smith	872-6400
Inuvik	777-7102
Norman Wells	587-3503
Fort Liard	770-4300
Yellowknife (Scotia Centre)	920-8691

Comments or Questions? Contact...

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Robert Redshaw—Resources, Wildlife and Economic Development (867) 920-8954, robert_redshaw@gov.nt.ca

